

Message Text

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PAGE 01 MILAN 00647 090003Z
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 PA-01 PRS-01 L-03 H-01 /086 W
-----090955Z 003411 /21

R 081610Z APR 77
FM AMCONSUL MILAN
TO SECSTATE WASHDC 5345
INFO AMEMBASSY ROME
AMCONSUL ANPLES
AMCONSUL TRUIN UNN

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E.O. 11652: N/A
TAGS: EINV, EFIN, IT
SUBJECT: DOW-LEPETIT UPDATE

REF MILAN 0633 B) MILAN 0608

1. AT WEEK'S END DOW CHEMICAL HAS NOT BEEN SUCCESSFUL IN GETTING HEAD OF MILAN-BASED SUBSIDIARY DOW LEPETIT, TITO MONTESSORI, RELEASED FROM BRINDISI JAIL. COMPANY OFFICIALS HAVE TOLD US THAT MONTESSORI WAS ARRESTED WEEK AGO AND CHARTED WITH VIOLATING ITALY'S CURRENCY CONTROL LAWS IN HIS CAPACITY AS MANAGING DIRECTOR OF COMPANY. PROOF OF INNOCENCE DOCUMENT WAS FILED WITH COURT APRIL 7, BUT IT SEEMS CERTAIN THAT MONTESSORI, IMPROISONED WILL REMAIN AT LEAST UNTIL LATER NEXT WEEK. GIUSEPPE VIOLINI, MONTESSORI'S PREDECESOR WHO IS ALSO UNDER INDICTMENT, APPARENTLY REMAINS IN SWITZERLAND. ALTHOUGH PRESS HAS REPOTED RUMORS THAT BRINDISI PROSECUTOR WILL ATTEMPT TO OBTAIN EXTRADITION OF VIOLINI AND INDICTMENTS AGAINST OTHER DOW LEPETIT OFFICALS AS WELL, ACTING HEAD OF DOW LEPETIT HERE MILAN DISCOUNTS THESE PROSPECTS.

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2. DOW-LEPETIT HEAD OFFICE IN MILAN RELEASED ON APRIL 8 FOLLOWING PRESS STATEMENT: "THE ALLEGATIONS OF ILLEGAL CURRENCY EXPORTATION FROM ITALY ARE WITHOUT GROUNDS. THE EXPORT PRICES FROM ITALY OF OUR PRODUCT RIFAMPICIN ARE HIGHER THA OUR BASIC PRODUCT COSTS. EXPORT PRICES ARE GENERALLY DICTATED BY COMPETITIVE FACTORS AND GOVERNMENT PRICE CONTROLS IN VARIOUS

COUNTRIES IMPORTING OUR PRODUCT. OUR EXPRTS HAVE BEEN CARRIED OUT IN ACCORDANCE WITH ESTABLISHED ITALIANCOMMERCIAL EXPORTATION PROCEDURES. WE HAVE MADE IT CLEAR TO AUTHORITIES THAT WE ARE PREPARED TO COOPERATE FULLY AND MAKE AVAILABLE ALL THE RELEVANT DATA TO DEMONSTRATE THE CLAIM IS WIHTHOUT GROUNDS. HOWEVER WE HAVE ALSO INSISTED THAT TITO MONTESSORI BE RELEASED. MONTESSORI, WHO IS RECOVERING FROM MAJOR SURGERY, HAS BEEN IN HIS JOB THREE WEEKS. LEPETIT HAS AN OUTSTANDING RECORD OF EXPORT PERFORMANCE WHICH HAS SUBSTANTIALLY CONTRIBUTED TO ITALY'S BALANCE OF PAYMENTS. IN 1976 OUR EXPORTS INCREASED BY MORE THAN 50 PERCENT TO ALMOST 50 BILLION LIRE WHICH IS EQUIVALENT TO MORE THAN 20 PERCENT OF THE ENTIRE ITALIAN PHARMACEUTICAL INDUSTRY EXPORTS."

3. COMPANY CONTINUES TO MAINTAIN THAT IT IS INNOCENT OF ALL ALLEGATIONS, AND MEANWHILE TOP MANAGEMENT IS NOT HIDING DISPLEASURE AT WAY COMPANY AND ITS LOCAL DIRECTORS ARE BEING HANDLED. ALTHOUGH PRESS STATEMENT'S STRONG WORDING SEEMED TO US TO BE BAD TACTICS, WE WERE NOT SUCCESSFUL IN DISCOURAGGING ITS RELAEASE. PR DIRECTOR POLI SANDRI SEEMED TO AGREED WITH OUR RESERVATIONS BUT SAID WORDING CAME DIRECT FROM DOW US HEADQUARTERS. IT OBVIOUSLY BELIEVES THAT STAKING OUT STRONG PUBLIC AS WELL AS PRIVATE, POSITIONS IS BEST WAY TO PROCEED. WE DO NOT SHARE THAT VIEW. BUT THEN, OUR LOCAL ITALIAN MANAGER IS NOT LANGUISING IN SOURTHERN JAIL. FINA

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESSMEN, ARRESTS, FOREIGN INVESTMENTS, CURRENCY VIOLATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MILAN00647
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770124-0599
Format: TEL
From: MILAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770474/aaaacmq. tel
Line Count: 87
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d00349a8-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 MILAN 633, 77 MILAN 608
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2858957
Secure: OPEN
Status: NATIVE
Subject: DOW-LEPETIT UPDATE
TAGS: EINV, EFIN, IT, US, (MONTESSORI, TITO), (VIOLINI, GIUSEPPE)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d00349a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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